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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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DOGM
MINERALS PROGRAM
FILE COPY

January 18, 1991

Mr. Ken A. Kluksdahl
Mine Manager
Tenneco Minerals
P.O. Box 2650
St. George, Utah 84770

Dear Mr. Kluksdahl:

Re: Conditional Approval, Permit Amendment, Quail Canyon Dam, Tenneco Goldstrike Project, M/053/005, Washington County, Utah

The Division has completed its review of your January 10, 1991, request for Division approval of a permit amendment to the approved Mining and Reclamation Plan for the Goldstrike Project. The permit amendment involves the construction of a dam within Quail Canyon, immediately adjacent to the Goldstrike mine site, and the access road leading to it.

The purpose of the dam will be to prevent any surface drainage from the upper reaches of Quail Canyon from entering the mining facilities below the dam. Tenneco has obtained approval from the State Division of Water Rights, Dam safety section to construct the dam. The dam and access road will impact approximately three (3) acres of additional surface disturbance. The Division has evaluated this proposal and will approve of the proposed construction with the following conditions:

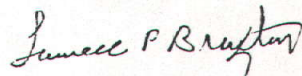
1. Tenneco must obtain written approval from the Bureau of Land Management, prior to performing any construction on the federally managed land.
2. Tenneco must post the revised reclamation surety with this Division before initiating any of the proposed surface disturbance at the mine site.
3. Tenneco must provide the Division with copies of the written approvals from the State Division of Water Rights, and the Bureau of Land Management for this amendment proposal.

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The operator will need to resolve these conditions before this tentative decision can become final and effective. Thank you for your assistance and cooperation in completing this permitting action.

Please contact me or D. Wayne Hedberg of the Minerals Reclamation staff if you have questions or require assistance in addressing these conditions.

Sincerely,



Lowell P. Braxton
Associate Director, Mining

DWH/jb

cc: Doug Bauer, BLM
Bryan Buck, JBR
Richard Hall, Water Rights
Don Ostler, BWPC
Debra Pietrzak, BLM
Dianne Nielson
Minerals staff

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